

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

THERESA BRYANT, et al,

Plaintiffs,

v.

ENTERTAINMENT SHOPPING, INC., et al.,

Defendants.

Civil Action No. 1:11-cv-1013

Judge Ruben Castillo

U.S. Magistrate Judge Michael T. Mason

**INITIAL JOINT STATUS REPORT**

Plaintiffs Theresa Bryant, Jill Manning, Susan Snyder and Diane Elliott and Defendants Bidcactus LLC, Inc. and Project Fair Bid, Inc., by their attorneys, hereby submit this Initial Joint Status Report to this Court and state as follows:

**A. Nature of the Case**

**Jurisdiction:** Plaintiffs assert that this court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332. All Plaintiffs are diverse from all Defendants. The amount of controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000 against Defendants. Plaintiff Bryant is a citizen and resident of Kane County, Illinois. Plaintiff Jill Manning is a citizen and resident of Massachusetts. Plaintiff Susan Snyder is a citizen and resident of Georgia. Plaintiff Diane Elliott is a citizen and resident of Washington.

Plaintiff claims joinder of Plaintiffs and Defendants, citizens of other states, is proper under Federal Rule of Civil Procedure 20(a)(1) because all Plaintiffs' claims arise out of Defendants' conduct of operating allegedly illegal internet gambling businesses and share

common questions of law and fact on this basis. Defendants deny joinder is proper in this case and deny venue is proper.

**Nature of Plaintiff's Claims:** This action alleges that Defendants operate illegal internet gambling websites, under the guise of "penny auctions", which permit persons to play games of chance for things of value by making wagers. The basic framework for any of Defendants' "auctions" is that Defendants provide prizes and merchandise, and players pay an entry fee and a bidding fee (consideration) for chances to win the merchandise. The particular laws prohibiting gambling and lotteries that Plaintiffs allege Defendants violate are described in the following state statutes: 720 Ill. Comp. Stat. 5/28, *et. seq.* (Illinois); Mass. Gen. Laws ch. 271, *et. seq.* (Massachusetts); GA. Code § 16-12 *et. seq.* (Georgia); Ohio Rev. Code ch. 2915 *et. seq.* (Ohio); N.J. Rev. Stat. ch. 37, *et. seq.* (New Jersey).

**Defendants Contention of Case:** Defendants deny all allegations that their businesses operate gambling websites, illegal or otherwise, and that they violate any gambling law in Illinois, Massachusetts, Georgia, Ohio or New Jersey.

**Relief Sought:** Plaintiffs seek judgment for gambling losses of players from Illinois, Massachusetts, Georgia, Ohio and New Jersey pursuant to statutes that permit any person to initiate an action to recover losses where the gambler does not do so within 6 months.

**Service:** Entertainment Shopping, Inc. was served but filed for Chapter 7 bankruptcy protection on April 14, 2011. Quibids LLC is not yet served. Beezid LLC waived service; answer due May 16, 2011. Project Fair Bid, Inc.'s answer is due May 9, 2011. Bidcactus LLC has a pending motion to sever and transfer venue to the District of Connecticut or the District of Delaware, (Dkt. 24) scheduled for hearing April 28, 2011.

**Legal and Factual Issues:** The principal legal issues include whether: a) Defendants auction websites violate the lottery and gambling laws of the states of Illinois, Ohio, Georgia, Massachusetts and New Jersey; and b) whether Plaintiffs may recover the money lost by others pursuant to the state statutes. There are many factual issues in dispute.

**B. Preparation of Draft Scheduling Order:** The parties propose that initial Rule 26 disclosures be made by May 31, 2011. Defendants request that fact discovery be stayed until such time all motions filed pursuant to Fed. R. Civ. P. 12(b) are ruled upon. Plaintiffs object to a stay of discovery. Fact discovery could be completed within eight months and expert discovery could be completed in two months thereafter. Deadline for joining parties is July 31, 2011. Dispositive motions shall be filed one (1) month after the close of expert discovery.. Trial could be set for August 2012.

**C. Trial Status:** Plaintiffs have requested a trial by Jury. No estimate is yet available on the length of a trial.

**D. Consent to Proceed Before a Magistrate Judge:** At this time the parties do not consent to proceed before a Magistrate Judge for all proceedings including trial.

**E. Settlement Status:** Plaintiffs have withdrawn all offers to settle this case.

Dated: April 25, 2011.

Respectfully submitted,

By: s/ William Houck  
Attorney for Plaintiffs

s/ Robert Edwin Spears , Jr.  
Attorney for Defendant Bidcactus LLC

s/ Sergio E. Acosta  
Attorney for Defendant Project Fair Bid, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that on April 25, 2011, I electronically filed the preceding, and notice of same, with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

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